

- a. The actual cash value of the undamaged part of the building if the insured building is:
 - 1) Not repaired or rebuilt, or
 - 2) Covered on an actual cash value basis;
- b. The amount you actually spend in repairing or rebuilding the undamaged part of the building if the insured building is:
 - 1) Repaired or rebuilt, and
 - 2) Covered on a replacement cost basis; or
- c. The difference between the amount of insurance on the insured building at the time of "loss" or damage and the amount paid for "loss" to the damaged or destroyed portion of the insured building.

• **Loss Payment - Increased Cost of Construction**

We will not pay more for the increased cost to repair or rebuild the insured building at the same or another premises in the same general vicinity as a result of any ordinance or law regulating the construction, use or repair of buildings than the increased cost to repair or rebuild the building.

We will not pay for more than a building of the same height, floor area, style and quality on the same premises.

• **Loss Payment - No Coverage**

We will not pay for "loss" due to any ordinance or law that:

- a. You were required to comply with before the "loss", even if the building was undamaged; and
- b. You failed to comply with.

We will not pay any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

Also, we will not pay any costs associated with the enforcement of an ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants".

- X 4. **Check Forgery or Alteration.** We cover forgery on checks issued to you or alteration of checks issued by you up to \$2,500 for any one "loss", provided the "loss" is discovered during the policy period or within 60 days after its expiration.

We will not pay for "loss" caused by dishonest or criminal acts committed by you, any of your members of a limited liability company, or any of your employees, directors, trustees or authorized representatives:

- a. Acting alone or in collusion with other persons; or
- b. While performing services for you or otherwise.

All "losses" committed by any person, whether acting alone or in collusion with others, are considered one occurrence which is subject to the \$2,500 limit.

We have the option to defend at our expense the insured or their bank against a suit for the enforcement of payment.

5. **Contingent Business Interruption.**

X

We will pay up to \$25,000 for contingent income protection, meaning loss of "income" you sustain due to "interruption of business" resulting directly from "loss" or damage to buildings or business personal property of "dependent properties" from a peril insured against.

We will reduce the amount of your "income" loss, other than "extra expense", to the extent you can resume normal operations by using an available:

- a. Source of materials; or
- b. Outlet for your products.

"Dependent property" means premises operated by others whom you depend on in any way for continuation of your normal business operation. The dependent properties are:

- a. Contributing Locations mean those premises you depend on as a source of materials or services that you need for your operations. Services does not include water, communication or power supply services;
- b. Recipient Locations mean those premises you depend on as a customer for your products or services;
- c. Manufacturing Locations mean those premises you depend on to manufacture products for your customers under contract or sale;
- d. Leader Locations mean those premises you depend on to attract customers to your business.

"Interruption of business" for contingent business interruption means the period of time that your business is suspended and it:

- a. Begins with the date of direct "loss" or damage to the "dependent property" caused by a peril insured against; and
- b. Ends on the date when the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

The deductible does not apply to this extension.

6. **Counterfeit Money.** We will pay up to \$500 per workday for "loss" from the acceptance in good faith of counterfeit money. "Workday" means a day on which your operations are usually performed.

X

This extension also applies if no limit is shown for Business Personal Property and Personal Property of Others (Coverage 2).

The deductible for this extension is \$50.

7. **Data, Media, & Records Coverage - Off Premises.** We will pay up to \$10,000 for any "loss" caused by a peril insured against to your duplicate data and media stored off premises.

X

The deductible for this extension is \$200.

8. **Debris Removal.** We cover the cost of removal of debris resulting from a covered "loss". This does not apply to any increase of "loss" resulting from ordinances or laws regulating construction or repair of

buildings. We will pay up to 5% of the total limits for Coverages 1 and 2 plus \$10,000 for debris removal expense.

This extension does not cover the cost to extract "pollutants" from land or water, or to remove, restore or replace polluted land or water.

- X 9. **Demolition Cost.** This policy covers the cost, not to exceed \$15,000, of demolishing and removing any undamaged portion of the building after a covered "loss". The demolition must be required by enforcement of any ordinance or law regulating the construction, use or repair of buildings.

The deductible does not apply to this extension.

- X 10. **Electronic Data Processing Equipment -- Mechanical and Electrical Breakdown.** We will cover "electronic data processing equipment", "electronic data" and "media" for "loss" or damage caused by mechanical breakdown, malfunction, short circuit, blow-out, electrical injury, magnetic injury or disturbance to "electronic data processing equipment", "electronic data" and "media". We will pay up to \$10,000 for any one "loss".

Coverage includes any accidental erasure of "electronic data" caused by electrical or magnetic injury, or operator or programmer error caused by the electrical damage.

The cause of the electrical damage must occur in building on the premises described in the "Declarations" or within 1,500 feet of it. We will not cover "loss" caused by any change in electrical power supply, such as interruption, power surge, or brown-out that originates more than 1,500 feet away from the building containing your data processing operations unless caused by lightning.

We will cover "loss" or damage to your "electronic data processing equipment", "electronic data" and "media" caused by computer virus.

We do not cover:

- a. "Electronic data processing equipment" which the insured rents or leases to others while it is away from the premises described in the "Declarations".
- b. "Media" and "electronic data" which cannot be replaced with other of the same kind or quality.
- c. Program support documentation such as flow charts, record formats or narrative descriptions unless they are converted to "electronic data" form and then only in that form.
- d. "Loss" caused by error or omission or deficiency in design, specifications, materials or workmanship, unless fire or explosion ensues, and then only for "loss", damage or expense caused by the ensuing fire or explosion.
- e. "Loss" caused by processing operations or loss that occurred while the insured property is being worked on unless fire or explosion ensues, and then only for "loss", damage or expense caused by the ensuing fire or explosion.
- f. "Loss" caused by programming errors or incorrectly instructing the machine.

"Electronic data processing equipment" means computers, terminals, teleprinters, readers, telephone

systems, computerized cash registers, word processing equipment, and equipment and parts related to the processing unit.

"Electronic data processing equipment" does not include computer operated or controlled production or processing machinery or equipment or a separate computer or computerized control panels used to operate the production or processing machinery or equipment.

"Media" means materials on which "electronic data" are recorded, such as magnetic tapes, disc packs, paper tapes and cards.

The deductible for this extension is \$200.

- X 11. **Employee Dishonesty.** We will pay for "loss" of "money", "securities", and business personal property and personal property of others (as described in Coverage 2) up to \$10,000 per occurrence resulting from dishonest acts committed by any of your "employees", whether identified or not, acting alone or in collusion with other persons (except you or your partner(s)) with the intent to:

- a. Cause you to sustain loss; and also
- b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - 1) Any "employee", or
 - 2) Any other person or organization.

This extension is subject to the following:

- a. For any loss, our payment shall not exceed the replacement cost of business personal property and personal property of others at the time of loss, except the cost of "securities" may be determined by the market value at the time of settlement;
- b. All loss caused by, or involving, one or more "employees", whether the result of a single act or a series of acts, is considered one occurrence;
- c. We will only pay for loss you sustain through acts committed or events occurring during the policy period and if loss is discovered during the policy period or is discovered within one year from the end of the policy period;
- d. Our payment is not increased regardless of the number of people we protect;
- e. Regardless of the number of years our policy is in force, the amount of insurance shall not be cumulative from year to year;
- f. If you sustained a loss during the period of any prior insurance that you could have recovered under your prior insurance, except that the time to discover the loss had expired, we will pay the loss under this Extension of Coverage, provided:
 - 1) This policy became effective at the time of cancellation or termination of your prior insurance; and
 - 2) The loss would have been covered by this insurance had it been in effect when the act or events causing the loss were committed or occurred.

We will pay up to \$10,000 or the amount of insurance under your prior insurance, whichever is less.

The loss under this part f. is not an additional amount of insurance and will not increase the total amount of insurance for Employee Dishonesty.

We do not cover:

- a. Loss caused by any dishonest or criminal act committed by you, or any of your members of a limited liability company, or any of your partners, whether acting alone or in collusion with other persons.
 - b. Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - 1) An inventory computation, or
 - 2) A profit and loss computation.
 - c. Loss that is an indirect result of any act or occurrence covered by this policy including, but not limited to, loss caused by:
 - 1) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, covered property.
 - 2) Payment of damages of any type for which you are legally liable. We will pay compensatory damages arising directly from a loss covered by this policy.
 - 3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this policy.
 - 4) Payment of expenses related to any legal action.
 - 5) Any "employee" immediately upon discovery by:
 - a) You, or
 - b) Any of your partners, officers, directors, or members of a limited liability company not in collusion with the employee,
 of any dishonest act committed by that "employee" before or after being hired by you.
 - d. Loss caused by any employee for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
 - e. Loss resulting directly or indirectly from trading whether in your name or in a genuine or fictitious account.
 - f. Loss resulting from fraudulent or dishonest signing, issuing, cancelling, or failing to cancel, a warehouse receipt or any papers connected with it.
- "Employee" means for this coverage only:
- a. Any natural person:
 - 1) While in your service (and for 30 days after termination of service);
 - 2) Whom you compensate directly by salary, wages or commissions; and
 - 3) Whom you have the right to direct and control while performing services for you.
 - b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.
 - c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm to perform duties related to the conduct of your business.
 - d. Any natural person who is a former employee, director, partner, member of a limited liability company, representative, or trustee retained as a consultant while performing services for you.
 - e. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care, custody or control of covered property outside the premises.
- "Employee" does not mean any:
- a. Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - b. Manager of a limited liability company, director or trustee except while performing acts coming within the scope of the usual duties of an "employee".
- The deductible for this extension is \$200.
12. **Expenses for Loss Adjustment.** We will pay up to \$1,000 for expenses involved in the preparation of loss data, inventories and appraisals. This does not include expenses incurred in using a public adjuster. X
 The deductible does not apply to this extension.
 13. **Expenses for Security.** We will pay up to \$2,500 for expenses incurred for security after a covered "loss" to protect the covered property from further damage. X
 The deductible does not apply to this extension.
 14. **Fine Arts.** We will pay up to \$10,000 for a "loss" caused by a peril insured against to your fine arts on the premises described in the "Declarations". Fine arts means property that is rare or has historical value, such as paintings, etchings, drawings, rare books, tapestries, or stained glass. X
 We will not cover fine arts that are on display at fairgrounds or at a national or international exposition.
 We do not cover "loss" caused by a process to repair, retouch, restore, adjust, service or maintain your fine arts. If a fire or explosion results, we do cover the "loss" caused by the fire or explosion.
 15. **Fire Department Service Charges.** We will pay reasonable charges made by a fire department for services rendered as a result of an insured "loss". X
 The deductible does not apply to this extension.

- X 16. **Fire Extinguisher Recharge.** We will pay expenses incurred to recharge portable fire extinguishers after they are used to fight a fire.

The deductible does not apply to this extension.

- X 17. **Income Protection Coverage.**

• **Income Protection Coverage**

This extension provides for loss of "income" and "rental income" you sustain due to partial or total "interruption of business" resulting directly from "loss" to the buildings, or business personal property or personal property of others described in the "Declarations" from a peril insured against. "Loss" or damage to business personal property and personal property of others includes covered property in the open, or in a vehicle on the premises described in the "Declarations", or within 1,500 feet thereof.

If you are a tenant, your premises is the portion of the building described in the "Declarations" which you rent, lease, or occupy including:

- a. All routes within the building to gain access to the described premises; and
- b. Your business personal property in the open, or in a vehicle on the premises described in the "Declarations", or within 1,500 feet thereof.

You are required to resume normal business operations as promptly as possible and shall use all available means to eliminate any unnecessary delay.

• **Extra Expenses**

"Extra expense" means necessary expenses you incur due to partial or total "interruption of business" resulting directly from "loss" to the buildings, or business personal property or personal property of others, described in the "Declarations" from a peril insured against. "Loss" or damage to business personal property and personal property of others also includes covered property in the open, or in a vehicle on the premises described in the "Declarations", or within 1,500 feet thereof.

We will pay actual and necessary "extra expenses" (other than the expenses to repair or replace property) sustained by you to:

- a. Avoid or minimize the "interruption of business" and to continue your business operations:
 - 1) At the premises described in the "Declarations"; or
 - 2) At replacement premises or at temporary locations, including:
 - a) Relocation expenses, and
 - b) Costs to equip and operate the replacement or temporary locations.
- b. Minimize the "interruption of business" if you cannot continue your business operations to the extent it reduces the amount of loss that would have been payable under loss of "income".

We will not pay any "loss" or damage to your buildings, or business personal property and personal property of others. We also will not pay the cost of research or any other expense to replace or restore your valuable papers and records. We will pay the extra cost to repair or replace your covered property and the amount to research, replace or restore the lost information on damaged valuable papers and records to the extent it reduces the amount of loss that would have been payable under loss of "income" and "rental income".

• **Additional Coverages**

a. **Civil Authority**

We will pay loss of "income" and "rental income" you sustain and necessary "extra expenses" caused by action of civil authority that prohibits access to the described premises resulting directly from "loss" to property, other than at the described premises, caused by a peril insured against.

This coverage for loss of "income" and "rental income" will begin 72 hours after the time of the action of civil authority and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for "extra expenses" will begin immediately after the time of the action of civil authority and will apply for a period of up to 24 consecutive days after the time of the action of civil authority.

b. **Full Resumption of Operations**

We will also pay your actual loss of "income" and "rental income" for an additional 30 days if your "income" and "rental income" after operations are resumed is less than your "income" and "rental income" before the loss. The additional amount we will pay will start after the later of the following times:

- 1) The date on which the liability for Income Protection Coverage would terminate if this clause had not been included; or
- 2) The date on which repair, replacement or rebuilding of such part of the damaged or destroyed property described in the "Declarations" is actually completed.

• **Amount of Insurance**

If the "loss" to the buildings, or business personal property and personal property of others, results in partial or total suspension of your business, we will pay your actual loss sustained up to \$250 for each workday not to exceed \$25,000 for any one "loss".

Payment of loss of "income" and "rental income" is not limited by the end of the policy period.

Payments under the following coverages are also subject to the amounts of insurance of \$250 for each workday up to \$25,000 for any one loss and the following coverages will not increase

these amounts of insurance under this Extension of Coverage - Income Protection:

- a. Extra Expenses Coverage;
- b. Civil Authority; or
- c. Full Resumption of Operations.

• **Exclusions**

We will not cover any loss under this Extension of Coverage caused by the exclusions shown under Paragraph E. - Section III - Exclusions.

• **Deductible**

The deductible does not apply to this extension.

- X 18. **Income Protection - Off Premises Utility Service Failure.** We will pay up to \$25,000 for loss of "income" and "rental income" you sustain due to "interruption of business" resulting from the interruption of service to the premises described in the "Declarations".

The "interruption of business" must result directly from "loss" to the following property, not on the premises described in the "Declarations" from a peril insured against:

- a. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services, to the premises described in the "Declarations", such as:
 - 1) Communication transmission lines (including fiber optic transmission lines);
 - 2) Coaxial cables; and
 - 3) Microwave radio relay except satellites.
- b. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the premises described in the "Declarations":
 - 1) Utility generating plants;
 - 2) Switching stations;
 - 3) Substations;
 - 4) Transformers; and
 - 5) Transmission lines.
- c. Water Supply Services, meaning the following types of property supplying water to the described premises:
 - 1) Pumping stations; and
 - 2) Water mains.

We will only pay for loss of "income" sustained by you after the first 24 hours following "loss" to off-premises communication supply services property, power supply services property, or water supply services property.

The deductible does not apply to this extension.

- X 19. **Key Replacement.** If keys to your building(s) are stolen during a theft loss, we will pay, at your request, up to \$2,500 to replace the keys and locks to the doors of your premises.
- X 20. **Money and Securities.** We will pay up to \$1,000 for any one "loss" caused by a peril insured against to

"money" or "securities" while in or on the premises described in the "Declarations" or within a bank or savings institution.

We will pay for "money" and "securities" while being conveyed by the insured or by an authorized employee, up to \$1,000 for any one "loss" caused by a peril insured against. This includes "loss" that occurs inside the home of the insured or an authorized employee.

The deductible for this extension is \$200.

21. **Money and Securities Destruction.** We will pay for "money" and "securities" destruction up to \$10,000 for any one "loss" caused by a peril insured against. "Money" and "securities" destruction means "loss" by destruction of "money" and "securities" within the premises:

- a. While the premises are open for business; or
- b. While contained within a locked "vault" or "safe".

This does not include "loss" caused by unexplained or mysterious disappearance or abstraction.

22. **Newly Acquired or Constructed Property.**

- a. If this policy covers Building(s), you may extend that insurance to apply to 50% of the limit for Coverage 1 or \$500,000, whichever is less, on:

- 1) Newly acquired buildings at other than the location(s) described in the "Declarations";
- 2) New additions, new buildings and new structures when constructed on the insured premises, including materials, equipment and supplies on or within 1,500 feet of the insured premises;

provided there is no other insurance applicable.

- b. If this policy covers your Business Personal Property and Personal Property of Others, you may extend that insurance to apply to 25% of the limit for Coverage 2 or \$250,000, whichever is less, on newly acquired business personal property in a newly acquired or leased building other than the location(s) described in the "Declarations",

provided there is no other insurance applicable.

- c. In addition to the amount of insurance provided in Extensions of Coverage B.17. - Income Protection - Valued Coverage, if this policy covers Income Protection, you may extend that insurance to apply up to 25% of the limit for Coverage 3 or \$250,000, whichever is less, for loss of income on:

- 1) Newly acquired buildings or business personal property in a newly leased building at other than the location(s) described in the "Declarations"; or
- 2) New additions, new buildings and new structures when constructed on the described premises, including materials, equipment and supplies on or within 1,500 feet of the described premises, if "loss" to the new additions, new buildings, and new structures delays the start of your business. The "interruption of business" will start on the day

your business would have started if the "loss" had not occurred;

provided there is no other insurance applicable.

This extension shall apply for 90 days after the acquisition or start of construction, provided the policy remains in force or is renewed.

You shall report values involved and pay any additional premium.

This extension does not apply to property while in transit.

23. **Non-Owned Detached Trailers.** Business Personal Property and Personal Property of Others (Coverage 2) is extended to cover non-owned detached trailers that you do not own, provided that:

- a. The trailer is used in your business;
- b. The trailer is in your care, custody or control at the insured's premises described in the "Declarations"; and
- c. You have a contractual responsibility to pay for "loss" or damage to the trailer.

We will not pay for any "loss" or damage that occurs:

- a. While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
- b. During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

We will pay up to \$5,000 for any one "loss" caused by a peril insured against to non-owned trailers.

This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

24. **Personal Articles.** Business Personal Property and Personal Property of Others (Coverage 2) is extended to cover household and personal articles of the insured, the insured's partners, members or managers of a limited liability company, the insured's officers, or the insured's employees for loss caused by a peril insured against. We will pay up to \$5,000 for any one "loss" at the insured's premises.

25. **Pollutants Clean Up and Removal.** We will cover the cost to extract "pollutants" from land or water on the insured premises if the release, discharge or dispersal of "pollutants" is caused by a peril insured against during the policy period. We will pay up to \$10,000 for all "losses" throughout the year. The "loss" must be reported to us within 180 days after the "loss" or the end of the policy period, whichever is the later date.

- X 26. **Private Structures and Rental Value - Dwellings.** You may apply an amount of insurance equal to 10% of the coverage on any insured dwelling to each of the following:

- a. Private structures pertaining to the dwelling, and
- b. Rental value of the dwelling or its private structures. The amount available in any one month cannot exceed 25% of this additional amount of

insurance. Damaged property must be repaired as soon as practicable.

Dwelling means a residence for not more than four families. It may contain not more than five roomers or boarders in addition to the four families and it may also contain an incidental commercial occupancy. It may not be used only for commercial or farming purposes.

Incidental commercial occupancy means:

- a. Offices used for business or professional purposes,
- b. Private schools or studios used for music, dance, photography and other instructional purposes, and
- c. Small service occupancies used for service rather than for sales. Examples are barber or beauty shops, tailor or dressmaker, telephone exchanges and shoe repair shops using hand work only.

27. **Property in Danger.** This policy covers up to 30 days for any "loss" to covered property removed from the insured premises or at a temporary location because of danger of damage by a peril insured against or to repair damage to the covered property.

28. **Temporarily Off-Premises - Business Personal Property and Personal Property of Others - Coverage 2.** X
This extension includes coverage for business personal property and personal property of others up to \$25,000, and coverage for salesmen's samples up to \$2,500 for "loss" caused by a peril insured against except while in transit. This extension applies only to business personal property and personal property of others at a location you do not own, lease or operate and for not more than 60 days.

We will cover business personal property and personal property of others, and salesmen's samples at exhibitions or trade shows for not more than 60 days.

This extension shall not apply to property rented to others, and property sold on installment or deferred payment plans after delivery to customers.

29. **Transportation.** We will pay up to \$25,000 for "loss" X
to business personal property and personal property of others (as described in Coverage 2) in or on a vehicle owned, leased or operated by or for you caused by: fire; lightning; flood; earthquake; landslide; windstorm; collapse of bridge, dock or culvert; theft; "robbery"; collision (excluding roadbed collision), upset or overturn of transporting vehicle.

This extension includes \$1,000 of coverage for tools and equipment.

This extension applies away from premises only.

30. **Valuable Papers and Records.** Business Personal X
Property and Personal Property of Others (Coverage 2) is extended to cover the "extra expense" incurred in the reproduction of your valuable papers and records, and "electronic data" when destroyed by a peril insured against at the premises described in the "Declarations", while being conveyed outside the premises or temporarily within other premises for any purpose except storage.

We will also cover the "extra expense" incurred in the reproduction of your "electronic data" when

destroyed by a virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for "loss" or damage caused by or resulting from manipulation, including the introduction or enactment of any virus, harmful code or similar instruction of a computer system, (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

Coverage will also apply while your valuable papers and records are being moved to and while at a place of safety because of imminent danger of "loss", and while being returned from such place.

To the extent that "electronic data" is not replaced or restored, the "loss" will be valued at the cost of replacement of the media on which "electronic data" was stored, with blank media of substantially identical type.

This extension is limited to \$25,000 for any one "loss".

The deductible does not apply to this extension.

SECTION IX - WHEN AND WHERE THIS POLICY APPLIES

A. WHEN

This policy applies to losses that occur during the policy period. The policy period is shown in the "Declarations", "Renewal Certificate", "Amended Declarations", "Revised Declarations" or endorsement. An "Amended Declarations" or endorsement tells you that the policy has been changed. A "Renewal Certificate" tells you that the policy is being renewed for another policy period.

B. WHERE

Property Protection - This policy applies to "loss" of property designated in the specific coverage.

SECTION X - COMMERCIAL PROPERTY CONDITIONS

1. ABANDONMENT OF PROPERTY

We will not accept abandoned property.

2. APPRAISAL

If you and we fail to agree on the amount of "loss", either party may make written demand for an appraisal. Each party will select an appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days after both appraisers have been identified, you or we can ask a judge of a court of record in the state where your principal office is located to select an umpire.

The appraisers shall then set the amount of "loss". If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the

amount of "loss". If they cannot agree, they will submit their differences to the umpire. A written award by two will determine the amount of "loss".

Each party will pay the appraiser it chooses, and equally bear expenses of the appraisal. However, if the written demand for appraisal is made by us, we will pay for the reasonable cost of your appraiser and your share of the cost of the umpire.

We will not be held to have waived any rights by any act relating to appraisal.

3. COINSURANCE CLAUSE - COVERAGES 1 & 2

(See percentage shown in the "Declarations")

The coinsurance clause applies to each insured item for which a specific amount is shown in the "Declarations".

We will pay that proportion of any "loss" that the amount of insurance bears to the amount produced by multiplying the coinsurance percentage by the actual cash value (ACV) of such property at the time of "loss". We will pay the amount of insurance or the amount determined by coinsurance, whichever is less.

Our Payment = $\frac{\text{amount of insurance}}{\text{amount required}} \times \text{loss}$

"Amount required" means the coinsurance percentage multiplied by the actual cash value.

If "loss" or damage to your covered property is on a replacement cost basis, "amount required" means the coinsurance percentage multiplied by the replacement cost.

When applying the coinsurance clause, the cost of excavations and earthmoving, the value of parts of structures underground and the Extensions of Coverage are not to be considered.

4. DIVISIBLE CONTRACT

The breach of a policy condition in one building or location will have no effect on the coverage on another where no breach exists.

5. LIMITATION -- ELECTRONIC MEDIA AND RECORDS

We will not pay for any loss of "income" and "rental income" caused by direct physical damage to electronic media and records after the longer of:

- a. Sixty consecutive days after the date of physical "loss" or damage; or
- b. The period beginning with the date of direct physical "loss" or damage to repair, rebuild or replace, with reasonable speed and similar quality, other property at the insured premises due to "loss" caused by the same occurrence

Electronic media and records mean:

- a. Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- b. Data stored on such media; or
- c. Programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to "extra expense".

6. LOSS PAYMENT

We will adjust all "losses" with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. We will not pay you more than your financial interest in the covered property.

"Loss" will be payable 30 days after we receive your proof of "loss" if you have complied with all the terms of this coverage part and one of the following has been done:

- a. We have reached an agreement with you; or
- b. There is an entry of final judgment; or
- c. There is a filing of an appraisal award on your behalf.

We have the option to:

- a. Pay the value of that part of the damaged property;
- b. Pay the cost to repair or replace that part of the damaged property, but this does not include the increased cost of construction due to any ordinance or law regulating the construction or repair of the damaged building;
- c. Take all or part of the damaged property at an agreed or appraised value; or
- d. Repair or replace that part of the damaged property with material of like kind and quality, but this does not include the increased cost of construction due to any ordinance or law regulating the construction or repair of the damaged building;

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this coverage form or any applicable provision which amends or supersedes the Valuation Condition.

We will not pay more than the amount of insurance shown in the Declarations applicable to the damaged or destroyed property.

7. MORTGAGEE

"Loss" shall be payable to mortgagees named in the "Declarations", to the extent of their interest and in the order of precedence.

Our Duties

We will:

- a. Protect the mortgagee's interest in an insured building. This protection will not be invalidated by any act or neglect of the insured, any breach of warranty, increase in hazard, change of ownership, or foreclosure if the mortgagee has no knowledge of these conditions.
- b. Give the mortgagee 30 days notice before cancellation or refusal to renew this policy.

Mortgagee's Duties

The mortgagee will:

- a. Furnish proof of "loss" within 60 days if you fail to do so.
- b. Pay upon demand any premium due if you fail to do so.
- c. Notify us of any change in ownership or occupancy, or any increase in hazard of which the mortgagee has knowledge.
- d. Give us his or her right of recovery against any party liable for "loss". This shall not impair the right of the mortgagee to recover the full amount of the mortgage debt.
- e. After a "loss", permit us to satisfy the mortgage requirements, and receive full transfer of the mortgage and all "securities" held as collateral to the mortgage debt.

Policy conditions relating to APPRAISAL, LOSS PAYMENT and SUITS AGAINST US apply to the mortgagee.

This mortgagee interest provision shall apply to any trustee or loss payee named in the "Declarations".

8. NO BENEFIT TO BAILEE

No bailee shall benefit, directly or indirectly, from this insurance.

9. OTHER INSURANCE

Other insurance is not permitted. This policy is excess to any other insurance.

If both this insurance and other insurance apply to a "loss", we will pay our share. Our share will be the proportionate amount that this insurance bears to the total amount of all applicable insurance.

10. PROPERTY OF OTHERS

If we are called upon to pay a "loss" for property of others, we reserve the right to adjust the "loss" with the owner. If we pay the owner, such payments will satisfy your claims against us for the owner's property.

In case of disagreement with the property owner, we will conduct the defense on your behalf at our expense.

11. PROTECTIVE SAFEGUARDS

You must maintain, so far as is within your control, any protective safeguards shown in the "Declarations". Failure to do so will suspend the coverage of this policy at the affected location. Coverage will not be suspended if you notify us immediately when the system is not in operation because of repairs or maintenance, and you comply with our requests and directions at that time.

12. RECORDS

You must keep proper records so that we can accurately determine the amount of "loss".

13. RECOVERIES

If either you or we recover any property after settlement, that party must notify the other. Expenses of recovery will be deducted from the value of the property. The balance of the proceeds will be divided according to your and our interests.

At your option, the recovered property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay the expenses of the recovery and the expenses to repair the recovered property, up to the limit of insurance.

14. RESUMPTION OF YOUR BUSINESS

We will reduce the amount of your:

- a. Income protection loss, other than extra expense, to the extent that you can resume your business, in whole or in part, by using damaged or undamaged property (including business personal property) at the insured premises or elsewhere.
- b. "Extra expense" loss to the extent you can return your business to normal and discontinue such "extra expense".

15. SUITS AGAINST US

We may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within 2 years of the loss.

16. VACANCY AND UNOCCUPANCY

Property may be unoccupied without limit of time. If the building at which the "loss" occurs is vacant for more than 60 consecutive days before the "loss", then we will:

- a. Not pay for any "loss" caused by:
 - 1) Vandalism or malicious mischief, water damage, glass breakage or theft,
 - 2) Sprinkler leakage unless you have exercised reasonable care to protect the system against freezing;
- b. Pay for other covered "losses", but we will reduce the amount of payment by 15%.

For a tenant operated business, the building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

For the owner of the building, the building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- a. Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- b. Used by the building owner to conduct customary operations.

Buildings under construction are not considered vacant.

17. VALUATION

We will determine the value of covered property in the event of "loss" as follows:

- a. At actual cash value at the time of the "loss", except as provided elsewhere in this policy;
- b. Stock you have sold but not delivered will be valued at the selling price less any discounts and expenses you otherwise would have had.

18. YOUR DUTIES AFTER A LOSS

In case of a covered "loss", you must perform the following duties:

- a. Give us or our Agent immediate notice of loss. If a crime "loss", also notify the police;
- b. Protect the property from further damage. If necessary for property protection, make reasonable repairs and keep a record of all repair costs;
- c. Furnish a complete inventory of damaged property stating its original cost. At our request, furnish a complete inventory of undamaged property stating its original cost. If a "loss" is both less than \$10,000 and less than 5% of the amount of insurance, no special inventory and appraisal of the undamaged property shall be required;
- d. Produce for examination, with permission to copy, all books of accounts, bills, invoices, receipts and other vouchers as we may reasonably require;
- e. Show us or our representative the damaged property, as often as may be reasonably required;
- f. Cooperate with us in our investigation of a loss and any "suits";
- g. Separately submit to examinations under oath and sign a transcript of the same;
- h. Send us, within 90 days after the "loss", your signed and sworn proof of loss statement which includes:
 - 1) Time and cause of "loss";
 - 2) Your interest in the property and the interest of all others involved;
 - 3) Any encumbrances on the property;
 - 4) Other policies which may cover the "loss";
 - 5) Any changes in title, use, occupancy or possession of the property which occurred during the policy term;
 - 6) When required by us any plans, specifications and estimates for the repair of the damaged building;
 - 7) The inventory of damaged property as prepared in c. above;
- i. In addition to the other conditions under Additional Income Protection (Coverage 3), make necessary replacements or repairs, use all available means to eliminate any unnecessary delay in order to resume operations as soon as possible;
- j. Agree to help us enforce any right of recovery against any party liable for "loss" under this policy. This will not apply if you have waived recovery rights in writing prior to a "loss".

SECTION XI - DEFINITIONS

- "Aircraft" means any machine or device capable of atmospheric flight except model airplanes.
- "Automobile" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any attached machinery or equipment), but does not include "mobile equipment".
- "Burglary" means the taking of business personal property and personal property of others (as described in Coverage 2) from inside the premises by a person unlawfully entering or exiting the premises as evidenced by visible marks of forcible entry or exit. It includes "loss" to the building and its equipment resulting from "burglary" or attempted "burglary".
- "Declarations", "Amended Declarations", "Revised Declarations" and "Renewal Certificate" means the form which shows your coverages, limits of protection, premium charges and other information. This form is part of your policy.
- "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-Roms, DVD's, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of "electronic data", means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph does not apply to your stock of prepackaged software;
- "Extra expense" means the necessary expenses incurred by you during the "interruption of business" that would not have been incurred if there had been no direct "loss" to covered property caused by a peril insured against. mold or mildew and any mycotoxins, spores, scents or
- "Income" means the sum of net profit and necessary continuing operating expenses incurred by the business such as payroll expenses, taxes, interests and rents. For manufacturing risks, "income" includes the net sales value of production.
- "Interruption of business" means the period of time that your business is partially or totally suspended and it:
 1. Begins with the date of direct "loss" to covered property caused by a peril insured against; and
 2. Ends on the date when the covered property should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- "Loss" means direct and accidental loss of or damage to covered property.
- "Mobile equipment" means any of the following types of land vehicles (including any attached machinery or equipment):
 1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 2. Vehicles maintained for use solely on or next to premises you own or rent;
 3. Vehicles that travel on crawler treads;
 4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers, or rollers;
 5. Vehicles not described in 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers;
 6. Vehicles not described in 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but are considered "automobiles".
 - a. Equipment designed primarily for:
 - 1) Snow removal;
 - 2) Road maintenance, but not construction or resurfacing;
 - 3) Street cleaning;
 - b. Cherry pickers and similar devices mounted on an "automobile" or truck chassis and used to raise or lower workers; and
 - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- "Money" means:
 1. Currency, coins and bank notes in current use and having a face value; and
 2. Travelers checks, register checks, credit card slips and money orders held for sale.
- "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- "Rental income" means:
 1. The rents from the tenant occupancy of the premises described in the "Declarations;"
 2. Continuing operating expenses incurred by the business such as:
 - a. Payroll; and
 - b. All expenses for which the tenant is legally responsible and for which you would otherwise be responsible.

3. Rental value of the property described in the "Declarations" and occupied by you;
 4. Incidental income received from coin-operated laundries, hall rentals or other facilities on the premises described in the "Declarations".
- "Robbery" means the taking of business personal property and personal property of others (as described in Coverage 2) from the care and custody of a person by one who has:
 1. Caused or threatened to cause that person bodily harm; or
 2. Committed an obviously unlawful act witnessed by that person.
 - "Safe" means a steel receptacle which has a door(s) that is no less than 1/2" thick, walls or body that are no less than 1/4" thick and is equipped with at least one key or combination lock.
 - "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 1. Tokens, tickets, food stamps, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 2. Evidences of debt issued in connection with credit or charge cards not issued by you;
 but does not include "money" or lottery tickets.
 - "Vault" means a steel or concrete compartment which has a steel door(s) that is no less than 1 1/2" thick; walls that are no less than 1/4" thick, if steel, or 9" thick, if reinforced concrete; and the door is equipped with at least one combination lock. The word "walls" includes the roof and floor of the "vault".



ERIE INSURANCE GROUP

FIVESTAR CONTRACTORS'
ULTRAFLEX PACKAGE
ULTRAPACK BUSINESS
ULTRASURE FOR PROPERTY OWNERS
GU-98 (Ed. 9/02) UF-3891

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
NEW YORK AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

FIVESTAR COMMERCIAL PROPERTY COVERAGE PART
ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART
ULTRAPACK COMMERCIAL PROPERTY COVERAGE PART
ULTRASURE FOR PROPERTY OWNERS PROPERTY COVERAGE PART

The following is added to **Section X - Commercial Property Conditions**:

WRITTEN ESTIMATE OF DAMAGES TO REAL PROPERTY

In the event of a pending claim for "loss" or damage to real property, upon request, we shall furnish to you, or your representative as designated in writing, a copy of any written estimate or estimates of the cost of the "loss"

or damage to real property resulting from the perils insured against, which we have independently prepared for our own purposes, or which we have had prepared on our behalf, for our own purposes, specifying all appropriate deductions, within 30 days after the request or preparation, whichever is later, of such estimate or estimates. We shall not be required to provide an estimate on claims for damages to real property unless we have independently prepared such estimate or have had one prepared on our behalf for our own purposes.



ERIE INSURANCE GROUP

INTERLINE
IL 09 52 (Ed. 11/02) UF-4076

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY

COMMERCIAL PROPERTY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART(S)

FIVESTAR CONTRACTORS' COMMERCIAL PROPERTY COVERAGE PART

ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART

ULTRAPACK COMMERCIAL PROPERTY COVERAGE PART

ULTRASURE FOR PROPERTY OWNERS' COMMERCIAL PROPERTY COVERAGE PART

ULTRASURE FOR LANDLORDS POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

With respect to any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act of 2002, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payment for terrorism losses.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Reaction or Radiation Exclusion or the War Exclusion.

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ERIE INSURANCE GROUP

GENERAL USE
(Ed. 2/03) UF-4070

POLICYHOLDER DISCLOSURE NOTICE

TERRORISM INSURANCE COVERAGE

Your policy covers certain losses caused by terrorism. In accordance with the Federal Terrorism Risk Insurance Act of 2002, enacted November 26, 2002 ("the Act"), we are providing you with notice disclosing the portion of your premium, if any, attributable to coverage for acts of terrorism certified by the Secretary of Treasury under the Act. We are also providing you with notice regarding federal participation in payment of terrorism losses.

NOTICE - DISCLOSURE OF PREMIUM

You have coverage for acts of terrorism certified under the Act in your policy.

NO PORTION of your premium is attributable to coverage for certified acts of terrorism.

Please Note: Additional premium charges for this coverage may apply to future renewals.

NOTICE - DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Act establishes a federal program, under which the United States Government shares the risk of loss from certified acts of terrorism with the insurance industry. The United States Government pays 90% of losses from certified acts of terrorism exceeding the statutorily established deductible paid by the insurance company providing the coverage.

This Notice is part of your policy.



ERIE INSURANCE GROUP

FIVESTAR CONTRACTORS
ULTRAFLEX PACKAGE
ULTRAPACK BUSINESS
ULTRASURE FOR LANDLORDS
ULTRASURE FOR PROPERTY OWNERS
(Ed. 12/99) UF-9557

IMPORTANT NOTICE TO NEW YORK POLICYHOLDERS

Dear Policyholder:

In accordance with the guidelines established in New York Regulation 57, if the building/dwelling insured under your policy is equipped with hurricane resistant laminated glass windows or doors, or hurricane storm shutters, you may be eligible for a credit. The hurricane storm shutters or laminated materials must be designed and properly installed in accordance with the manufacturer's specifications to withstand external pressure or wind borne debris from a storm with sustained wind speed of at least 110 miles per hour, or a storm surge of 8 feet above normal.

Please contact your ERIE Agent for details and conditions regarding this credit.



ERIE INSURANCE GROUP

GENERAL USE
(Ed. 2/03) UF-4110

IMPORTANT NOTICE TO POLICYHOLDERS - TERRORISM COVERAGE - PROPERTY

Your policy covers certain losses caused by terrorist acts, subject to the terms, limits, exclusions, and conditions of coverage in the policy.

The Terrorism Risk Insurance Act of 2002 ("the Act") establishes a program within the Department of Treasury under which the federal government shares, with the insurance industry, the risk of loss from future acts of terrorism, as defined in the Act. The term "certified act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States:

- to be an act of terrorism;

- to be a violent act or an act that is dangerous to human life, property, or infrastructure; and

- to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or effect the conduct of the United States Government by coercion.

The Act provides that, to be certified, an act of terrorism must cause losses of at least \$5 million.

ENDORSEMENT - CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM IL 09 52

The Act contains certain provisions that may result in a limitation or cap on the liability of insurers for payment of insured losses resulting from "certified acts of terrorism." Accordingly, Endorsement IL 09 52, entitled "Cap On Losses From Certified Acts of Terrorism" was added to your policy and is shown on your Declarations. This endorsement provides that, with respect to "certified acts of terrorism", ERIE will not pay any amounts for which we are not responsible under the terms of the Act.

If you have any questions regarding this notice or Terrorism Insurance Coverage under your policy, please contact your Agent.



ERIE INSURANCE GROUP

ULTRAFLEX PACKAGE
UL-NH (Ed. 1/05) UF-8989

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
MECHANICAL AND ELECTRICAL BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. The following is added to Section II - Perils Insured Against - Building(s) - Coverage 1; Business Personal Property and Personal Property of Others - Coverage 2, and Additional Income Protection - Coverage 3:

We will cover direct damage to "covered objects" for "loss" caused by "mechanical, electrical or pressure systems breakdown" on the premises described in the "Declarations".

B. The following Paragraphs B.1.k., B.1.l., B.8., B.9., and B.10. in Section III - Exclusions are deleted.

C. Paragraph A.11. in Section III - Exclusions is replaced by the following:

We do not cover "loss" by the failure of power or other utility service supplied to the insured premises, however caused, if the failure occurs away from the insured premises, except as provided in Extensions of Coverage - A.6. and A.8., unless a covered "loss" ensues, and then only for ensuing "loss". However, we will pay for "loss" resulting from "mechanical, electrical, or pressure systems breakdown" to any transformer, electrical apparatus, or any "covered object" that is:

1. Located on or within 1,500 feet of the insured premises;
2. Owned by the building owner at your premises, or owned by a public utility company; and
3. Used to supply telephone, electricity, air conditioning, heating, gas, water or steam to the insured premises.

D. The following is added to Paragraph B. in Section VIII - Extensions of Coverage:

Ammonia Contamination

We will cover buildings, and business personal property and personal property of others for ammonia contamination resulting from "mechanical, electrical or pressure systems breakdown" to a "covered object".

We will pay up to \$25,000 including salvage expense for any one "loss" caused by ammonia contamination.

E. The following is added to Section X - Commercial Property Conditions:

SUSPENSION

Whenever a mechanical, electrical or pressure object is found to be in or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against "loss" from an accident to that object. This can be done by delivering or mailing a written notice of suspension to:

1. Your last known address,
2. The address where the object is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

F. The following are added to Section XI - Definitions:

"Covered objects" mean any mechanical, electrical or pressure systems as respects "mechanical, electrical or pressure systems breakdown" except the following types of property:

1. Insulating or refractory material;
2. Buried vessel or piping;
3. Sewer piping, piping forming a part of a fire protection system or water piping other than:
 - a. Feed water piping between any boiler and its feed pump or injector;
 - b. Boiler condensate return piping;
 - c. Water piping forming a part of refrigerating and air conditioning systems; or
 - d. Vessels and piping used for cooling, humidifying or space heating purposes.
4. Structure, foundation, cabinet or compartment containing the object;
5. Power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, penstock, draft tube or well-casing;
6. Conveyor, crane elevator, escalator or hoist, but not excluding any electrical machine or electrical

apparatus mounted on or used with this equipment;

7. Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, cable, chain, belt, rope, clutch plate, brake pad, non-metallic part or any part or tool subject to frequent, periodic replacement.

"Mechanical, electrical or pressure systems breakdown" means direct damage to "covered objects" as follows:

1. Mechanical breakdown, including rupture or bursting caused by centrifugal force;

2. Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliance or wires;
3. Explosion of steam boiler, steam piping, steam engines or steam turbines owned or leased by you or operated under your control;
4. "Loss" or damage to steam boiler, steam pipes, steam engines or steam turbines; or
5. "Loss" or damage to hot water boilers or other water heating equipment.

If covered electrical equipment requires drying out as a result of flood, we will pay for the direct expenses of such drying out.



ERIE INSURANCE GROUP

ULTRAFLEX PACKAGE
ULTRAPACK BUSINESS
UL-OA (Ed. 1/05) UF-9338

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
PRODUCTION OR PROCESS MACHINERY - DEDUCTIBLE

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. The following is added to Section V - Deductibles:

We will pay the amount of "loss" to "production or process machinery" caused by "mechanical, electrical, or pressure systems breakdown" in any one occurrence which is in excess of either \$1,000 or the deductible amount applying to Building(s) (Coverage 1) and Business Personal Property and Personal Property of Others (Coverage 2) shown in the "Declarations", whichever is the greater amount.

For Income Protection Coverage, if the loss to "production or process machinery" is caused by "mechanical, electrical, or pressure systems breakdown", we will pay the amount of "income" loss which is in excess of one day multiplied by the "average daily value".

Should the policy deductible apply to the same "loss", only the deductibles for "production or process machinery" plus income protection or the policy deductible, whichever is the greater amount, shall be used.

B. The following definitions are added to Section XI - Definitions:

"Average daily value" means the loss of "income" for that location that you would have earned had no "mechanical, electrical or pressure systems breakdown" occurred during the "interruption of business" divided by the number of days in that period.

We will make no reduction for loss of "income" not being earned, or the number of working days, because the "mechanical, electrical, or pressure systems breakdown" occurred, or any other scheduled or unscheduled shutdowns during the "interruption of business". If the Business Income and Extra Expense dollar deductible is expressed as a number times the "average daily value", that amount will be calculated as follows:

The "average daily value" will be the "income" for the entire location that would have been earned had no "mechanical, electrical, or pressure system breakdown" occurred during the period of "interruption of business" divided by the number of working days in that period. No reduction shall be made for the "income" not being earned or in the number of working days, because of the "mechanical, electrical, or pressure systems breakdown" or any other scheduled or unscheduled shutdowns during the period of interruption. The "average daily value" applies to all locations included in the valuation of the loss.

The number indicated in the Declarations will be multiplied by the "average daily value" as determined above. The result will be used for the Business Income and Extra Expense dollar deductible.

The "average daily value" applies to all locations included in the valuation of the loss.

Example

Business is interrupted partially or completely for 10 days. If there had been no "mechanical, electrical, or pressure systems breakdown", the total location income for those 10 days would have been \$5,000. The Income Protection Deductible is 3 times the "average daily value".

$\$5,000 \div 10 = \500 Average Daily Value.

$3 \text{ times } \$500 = \$1,500$ Loss of Income Protection Deductible.

"Production or process machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus.



ERIE INSURANCE GROUP

ULTRAFLEX PACKAGE
UL-LL (Ed. 1/05) UF-8620

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
AUTO REPAIR SHOPS ERIEPLACEABLE ENHANCEMENTS
ENDORSEMENT

This endorsement modifies insurance provided under the following:

ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART

A. The following is added to Paragraph A. **Covered Property of Section I - Coverage 2 - Business Personal Property and Personal Property of Others:**

Business Personal Property and Personal Property of Others -- Coverage B covers:

Your and your employees' tools while in or on the described buildings, or in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof. For tools and equipment off premises, coverage is provided under Paragraph F. **1. Coverage - Mechanic" Tools.**

B. The amount of insurance under Paragraph **B.1. Accounts Receivable of Section VIII - Extensions of Coverage** is increased from \$25,000 to \$30,000 for any one "loss".

C. The amount of insurance under Paragraph **B.21. Money and Securities of Section VIII - Extensions of Coverage** is increased from \$1,000 to \$5,000 for any one "loss".

D. The amount of insurance under Paragraph **B.25. Pollutants Clean Up and Removal of Section VIII - Extensions of Coverage** is increased from \$10,000 to \$20,000.

E. The amount of insurance under Paragraph **B.30. Valuable Papers and Records of Section VIII - Extensions of Coverage** is increased from \$25,000 to \$30,000 for any one "loss".

F. The following is added to Section I - Coverages:

1. COVERAGE - MECHANICS' TOOLS

a. Insuring Agreement

We will pay up to \$10,000 for direct physical "loss" of or damage to covered property caused by any of the covered causes of "loss" listed under **Section II - Perils Insured Against:**

b. Covered Property

We will cover:

- 1) Your portable powered and non-powered hand tools;
- 2) Your employee's portable powered and non-powered hand tools;
- 3) Portable powered and non-powered hand tools in your care, custody or control.
- 4) Your "mechanics' non-mobile equipment;
- 5) Your employee's "mechanics' non-mobile equipment; and
- 6) "Mechanics non-mobile equipment" in your care, custody or control.

We will also cover all portable powered, non-powered hand tools and non-mobile equipment that you lease, rent or borrow from anyone else up to \$2,500 for any one "loss".

c. Property Not Covered

We do not cover:

- 1) Aircraft or watercraft;
- 2) "Automobiles", trucks, tractors, trailers, and similar conveyances designed for highway use or used for over the road transportation of people or cargo;
- 3) Contraband or property in the course of illegal transportation or trade;
- 4) Property while airborne;
- 5) Property that is waterborne, except by fire;
- 6) Property that you loan, lease, or rent to others;